

THE HOUSING MISMATCH

Why Home Sales Remain Sluggish
Despite More Inventory

MAY 2026



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Table of Contents

3	Executive Summary
5	Introduction
6	The Listing-Income Alignment Score
7	National Overview
8	Market Rankings and Distribution Across Tiers
14	Understanding Alignment by Income Level
20	Year-over-Year Changes: March 2025 to March 2026
21	Recovery Since 2019: Who Has Caught Up?
22	Conclusion

Executive Summary

The housing market is showing signs of improvement. Inventory has increased from recent lows, and affordability has modestly improved as mortgage rates have fallen to the low-6% range and incomes have continued to grow. Under normal market conditions, these developments would support a recovery in home sales.

However, transaction activity remains sluggish.

This report finds that the disconnect is driven by a dual constraint. The housing market continues to face an overall supply shortage, and the existing supply is not aligned with the price points buyers can afford. As a result, many of the homes currently on the market remain out of reach for a large share of potential buyers.

To better capture this dynamic, this report introduces the Listing–Income Alignment Score, which measures how well the distribution of listings matches the income distribution of households.

Across the country, the alignment score reached 74.9% in March 2026, up from 66.7% one year earlier, but still well below the pre-pandemic baseline of 84.4%. This means that, on average, households can

access only about three-quarters of the housing opportunities they would have in a balanced market.

The mismatch is especially more severe in the middle of the market. In most markets, lower- and middle-income households face a shortage of listings within their price range, while listings at higher price points are relatively more abundant. This imbalance reduces the effective supply available to the buyers who typically drive transaction volume.

The result is a housing market that seems to be improving based on headline indicators, but continues to operate below its norm and potential. Rising inventory has not translated into stronger sales because a significant share of that inventory does not align with the financial capacity of today's buyers, even before factors like mortgage rate lock-in are considered.

The key takeaway is that increasing supply alone will not be enough to restore normal market activity. A recovery will depend on both expanding overall inventory and improving the alignment between home prices and household incomes, especially in entry-level and middle-market segments.



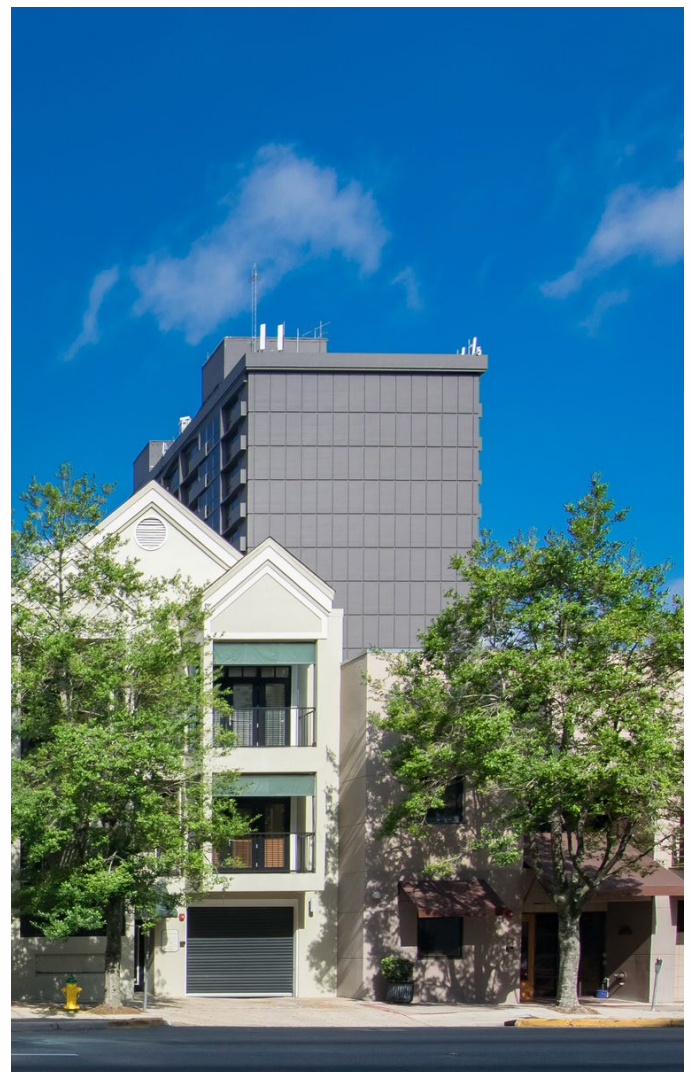
Executive Summary

Key Findings

- The national market offers buyers **75%** of the access they would have in a balanced market - still 9.5 percentage points below pre-pandemic levels.
- Only **13%** of metros have reached or exceeded the balanced-market benchmark (alignment score $\geq 90\%$). All are in the Midwest or Upper South.
- **Thirty-six percent** of metros fall below 70% alignment, which means that many lower- and middle-income households face a shortage of listings within their price range.
- **Eleven percent** of metros are in severe shortage (below 60%), including Los Angeles (39%), San Diego (45%), Oxnard (47%), Providence (51%), and Boise City (53%).
- **Nineteen percent** of metros have surpassed their 2019 alignment levels, led by Honolulu (+13.3 pp), Bridgeport (+10.7 pp), San Jose (+9.8 pp), Denver (+8.3 pp), and San Francisco (+8.3 pp).
- Many of the markets furthest below their 2019 levels are concentrated in the Northeast, even in the affordable areas: Allentown (-39.3 pp), Scranton (-31.6 pp), Springfield, MA (-28.8 pp), and Knoxville (-25.5 pp). However, this doesn't mean these markets have the most severe shortages today. It's just because of the very elevated scores before the pandemic.
- **Madison, WI** is the only metro among the 100 largest where alignment declined year-over-year (-7.7 pp), reversing the previous year's improvement.
- In most markets, shortages are concentrated in the entry-level and middle segments of the market, while

listings priced for upper-middle and high-income earners are in surplus. This is a structural mismatch that keeps transaction activity subdued even as headline inventory rises.

- **Middle-income households continue to face the largest supply gap.** Buyers earning around \$75,000 can currently afford homes priced up to about \$261,140. Homes priced below this point currently account for only about 23% of listings nationally, compared with about 44% in a balanced market. This represents an effective shortage of about 311,000 listings within reach of these buyers.



Introduction

Transaction activity remains subdued, and existing home sales continue to operate at about 76% of pre-pandemic activity. The expected relationship between improving conditions and stronger market activity has weakened, which suggests that the current conditions cannot be explained by supply or demand alone.

Part of the challenge is that the market is still undersupplied. Inventory levels, while improving, remain below what would be considered normal in a balanced housing market. But the issue goes beyond the overall level of supply.

The composition of that supply matters. A large share of listings is concentrated at price points that exceed what many households can afford. As a result, even as more homes come onto the market, a significant portion remains out of reach for the buyers most likely to drive transaction activity.

This report introduces the concept of effective supply to better capture current

dynamics. While inventory measures how many homes are available for sale, effective supply reflects how many of those homes are actually accessible given current income levels, mortgage rates, and total ownership costs.

Across the country, the Listing–Income Alignment Score reached nearly 75% in March 2026. This means that households can access about three-quarters of the housing opportunities they would have in a balanced market. In other words, a significant share of listings remains above the financial reach of typical buyers. This mismatch helps explain why rising inventory has not translated into stronger sales. The market is not just constrained by how many homes are available, but by how well those homes align with the financial ability of today’s buyers.

The following sections examine this mismatch in detail, showing how it varies across markets, income levels, and price points and why it continues to hold back the housing market’s recovery.



The Listing-Income Alignment Score

What It Measures

The Alignment Score is a metric that shows how well the current distribution of home listings matches the distribution of household incomes in a given market. It answers the question: if a household at every income level tried to buy a home today, would they find listings proportional to their share of the local population?

The score is calculated by comparing, at each of 12 income tiers, the actual share of listings that a household in that tier can afford against the share they would be able to afford in a balanced market, when listing prices are distributed proportionally across all income groups. The ratio of actual access to balanced-market access, aggregated across all tiers, produces the final score.

How to Interpret the Score

A score of 100% means listings are well distributed across income tiers. A score of 75% means that, on average, households can access 75% of what a balanced market would offer them. The gap, 25 percentage points, represents the share of listings that are out of reach for the income groups.

Scores above 100% mean that these markets offer enough affordable inventory for all income groups. However, this doesn't necessarily mean an abundance of housing.

The 12 income tiers used in the analysis range from households earning under \$15,000 to those earning above \$500,000. For each tier, the maximum home price a household can afford is calculated using local mortgage rates, average down payment levels, and local tax and insurance rates, following standard underwriting assumptions.

Tier	Score Range	What It Means
Well Aligned	≥ 100%	Listings match or exceed what local incomes need.
Near Aligned	90–99%	Slight over-pricing relative to incomes. Relatively healthy markets where the majority of income groups have reasonable access.
Mild Mismatch	80–89%	Moderate gap. Entry-level and lower-middle-income buyers begin to feel constrained.
Moderate Shortage	70–79%	Listings are significantly more toward higher price points. Middle-income buyers have limited options, contributing to sales sluggishness.
Significant Shortage	60–69%	Severe lack of affordable listings. Common in fast-growth Sun Belt metros.
Severe Shortage	< 60%	Listings are dramatically misaligned with local incomes. Typical of high-cost coastal markets. Many households are effectively priced out.

National Overview

The Listing-Income Alignment Score shows a clear shift in the housing market over the past decade. During this period, the market moved from a relative balance to a misalignment, followed by some improvement.

Specifically, from 2016 through early 2021, the market remained relatively aligned. The score consistently ranged between about 85% and 91%, indicating that home prices and household incomes were relatively well matched across most markets. Even as home prices increased, low mortgage rates and steady income growth helped keep homes within reach for many buyers.

That started to change in 2021 and peaked in 2022. During that time, inventory dropped to record lows in 2021, while affordability also began to fall as mortgage rates moved higher from their record lows. That combination of limited supply and declining affordability pushed the alignment score lower very fast.

By mid-2023, the score reached a low of around 57%, its weakest point. At that time, the market was not only short on homes but also a growing share of the available homes had moved out of reach for typical buyers, especially in the entry-level and middle-income tiers.

Since then, conditions have started to improve. Inventory has increased, price growth has moderated, and affordability has improved. The alignment score has gradually recovered, reaching the mid-70% range by early 2026.

But, even today, the score remains well below pre-pandemic levels. Buyers still have fewer affordable options than they would in a balanced market, although affordable listings have improved.

Overall, the market has moved past the most constrained times, but it has not fully rebalanced - either in terms of total supply or in how that supply is distributed.



Market Rankings and Distribution Across Tiers

Among the 100 largest metro areas, the largest share of markets sits in the Moderate Shortage (70-79%) and Mild Mismatch (80-89%) ranges. These are markets where conditions have improved compared to last year, but where supply is still not well aligned with local incomes. In fact, there are still constraints, especially for entry-level and middle-income buyers.

Only 13 markets are near or well aligned, and they are all concentrated in the Midwest and Upper South regions, where home prices remain more closely tied to local incomes.

At the other end, 11 markets remain in severe shortage, almost entirely along the coasts and in parts of the Mountain West. In these areas, a large share of households is priced out of the market.

Most and Least Aligned Markets

The most aligned markets are mostly

concentrated in the Midwest. Metros like Toledo (107.4%), St. Louis (106.0%), Akron (105.0%), Pittsburgh (102.6%), and Detroit (102.4%) all exceed 100%.

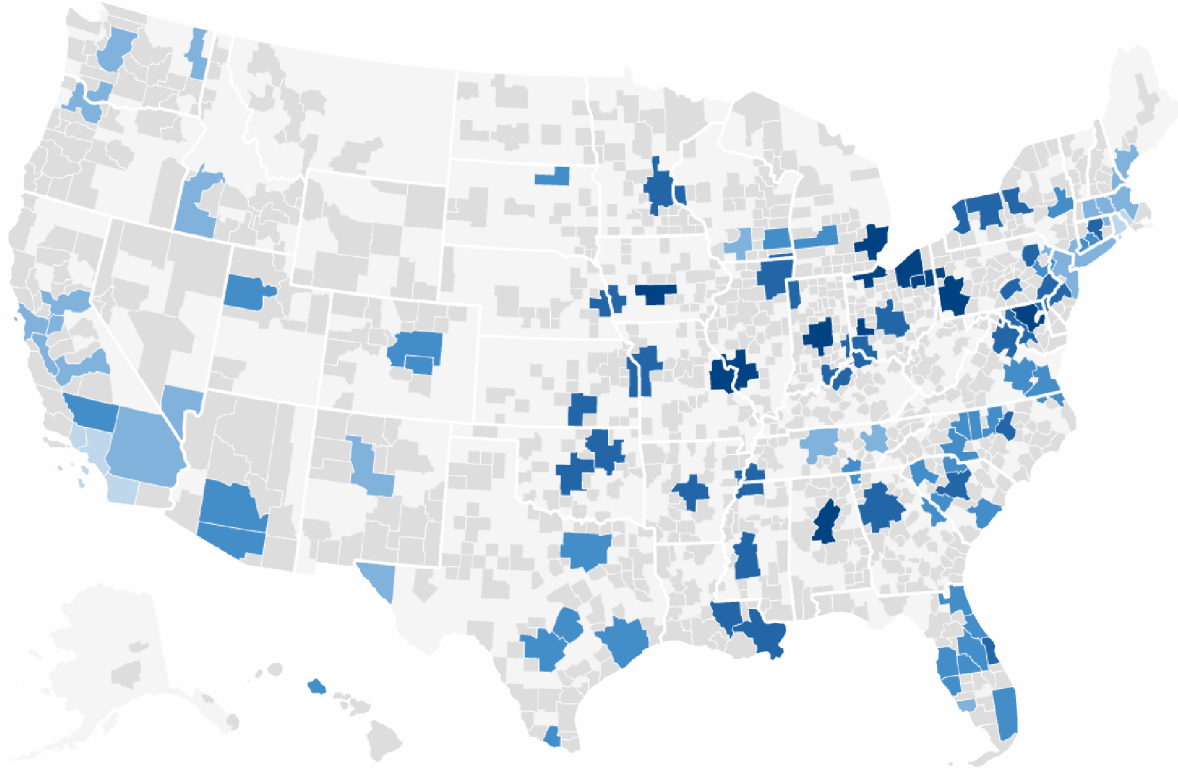
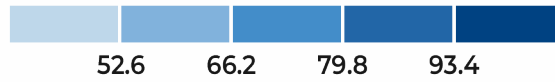
At the end of the spectrum, the least-aligned markets are among the most expensive in the country.

Los Angeles (39.4%), San Diego (45.0%), Oxnard (46.8%), Providence (50.5%), and Boise City (53.2%) all have alignment scores below 55%. In practice, this means that a typical household can access only a very small fraction of the listings it would have otherwise in a balanced market. In Los Angeles, for example, a household earning the median income can access fewer than 1 in 10 listings that would be available under balanced conditions.

	MARCH 2019	MARCH 2025	MARCH 2026
National Alignment Score	84.4%	66.7%	74.9%
Metros at or above 100% (Well Aligned)	20	1	7
Metros 80–99% (Near Aligned / Mild Mismatch)	39	18	29
Metros 70–79% (Moderate Shortage)	20	25	27
Metros below 70% (Significant Shortage)	20	55	36
Metros below 60% (Severe Shortage)	7	33	11

Market Rankings and Distribution Across Tiers

Listing-Income Alignment Score (%)



The most aligned markets are mostly concentrated in the Midwest:

Toledo, OH
(107.4%)

St. Louis, MO
(106.0%)

Akron, OH
(105.0%)

Pittsburgh, PA
(102.6%)

Detroit, MI
(102.4%)

The least aligned markets are some of the most expensive in the country:

Los Angeles, CA
(39.4%)

San Diego, CA
(45.0%)

Oxnard, CA
(46.8%)

Providence, RI
(50.5%)

Boise City, ID
(53.2%)

Market Rankings and Distribution Across Tiers

#	Metro Area	Alignment Tier	March 2026	Change vs 2025	Change vs 2019
1	Toledo, OH	Well Aligned	107.4%	+13.0	-8.4
2	St. Louis, MO-IL	Well Aligned	106.0%	+6.5	-6.3
3	Akron, OH	Well Aligned	105.0%	+4.9	-10.0
4	Pittsburgh, PA	Well Aligned	102.6%	+6.1	-8.6
5	Detroit-Warren-Dearborn, MI	Well Aligned	102.4%	+8.0	-3.5
6	Dayton-Kettering-Beavercreek, OH	Well Aligned	100.6%	+6.7	-19.5
7	Youngstown-Warren, OH	Well Aligned	100.2%	+3.6	-27.3
8	Indianapolis-Carmel-Greenwood, IN	Near Aligned	98.9%	+7.9	-4.0
9	Cleveland, OH	Near Aligned	98.4%	+5.2	0.0
10	Baltimore-Columbia-Towson, MD	Near Aligned	95.6%	+7.2	-6.4
11	Des Moines-West Des Moines, IA	Near Aligned	95.2%	+6.2	-7.5
12	Birmingham, AL	Near Aligned	93.8%	+3.2	-5.8
13	Rochester, NY	Near Aligned	92.3%	+2.0	-9.4
14	Memphis, TN-MS-AR	Mild Mismatch	89.8%	+10.7	-17.4
15	Louisville/Jefferson County, KY-IN	Mild Mismatch	89.8%	+6.0	-9.1
16	Little Rock-North Little Rock-Conway, AR	Mild Mismatch	89.7%	+9.1	-14.5
17	Syracuse, NY	Mild Mismatch	89.0%	+6.0	-17.3
18	Chicago-Naperville-Elgin, IL-IN	Mild Mismatch	88.2%	+8.8	0.0
19	Baton Rouge, LA	Mild Mismatch	88.1%	+8.3	-7.5
20	Harrisburg-Carlisle, PA	Mild Mismatch	87.8%	+12.1	-23.6
21	Minneapolis-St. Paul-Bloomington, MN-WI	Mild Mismatch	87.3%	+9.0	-2.4
22	Wichita, KS	Mild Mismatch	87.1%	+9.2	-14.5
23	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	Mild Mismatch	87.1%	+6.6	-10.4
24	Raleigh-Cary, NC	Mild Mismatch	87.1%	+9.3	-1.6
25	Oklahoma City, OK	Mild Mismatch	87.0%	+6.4	-8.0
26	Buffalo-Cheektowaga, NY	Mild Mismatch	86.8%	+5.6	-13.6
27	Cincinnati, OH-KY-IN	Mild Mismatch	86.6%	+5.2	-11.1

Market Rankings and Distribution Across Tiers

#	Metro Area	Alignment Tier	March 2026	Change vs 2025	Change vs 2019
28	Jackson, MS	Mild Mismatch	85.1%	+6.2	-6.2
29	Columbus, OH	Mild Mismatch	84.9%	+6.8	-11.2
30	Kansas City, MO-KS	Mild Mismatch	84.7%	+6.1	-10.9
31	Washington-Arlington-Alexandria, DC-VA-MD-WV	Mild Mismatch	84.6%	+9.9	-5.5
32	Columbia, SC	Mild Mismatch	83.9%	+7.7	-18.1
33	Tulsa, OK	Mild Mismatch	83.6%	+6.5	-15.9
34	New Orleans-Metairie, LA	Mild Mismatch	83.3%	+13.2	+2.8
35	Scranton--Wilkes-Barre, PA	Mild Mismatch	81.6%	+2.1	-31.5
36	Atlanta-Sandy Springs-Roswell, GA	Mild Mismatch	80.6%	+7.4	-10.8
37	Palm Bay-Melbourne-Titusville, FL	Mild Mismatch	80.1%	+11.6	+1.3
38	Omaha, NE-IA	Moderate Shortage	79.7%	+6.3	-12.0
39	Hartford-West Hartford-East Hartford, CT	Moderate Shortage	79.5%	+1.6	-17.4
40	Greensboro-High Point, NC	Moderate Shortage	79.2%	+10.7	-11.1
41	Augusta-Richmond County, GA-SC	Moderate Shortage	78.9%	+4.4	-16.7
42	Houston-Pasadena-The Woodlands, TX	Moderate Shortage	78.6%	+9.9	+1.8
43	Richmond, VA	Moderate Shortage	78.3%	+7.0	-13.6
44	San Antonio-New Braunfels, TX	Moderate Shortage	78.0%	+11.6	+3.5
45	Charlotte-Concord-Gastonia, NC-SC	Moderate Shortage	77.9%	+10.2	-7.7
46	Jacksonville, FL	Moderate Shortage	77.6%	+6.5	-4.4
47	Greenville-Anderson-Greer, SC	Moderate Shortage	77.5%	+12.2	-10.0
48	Lakeland-Winter Haven, FL	Moderate Shortage	77.1%	+18.3	-9.4
49	Winston-Salem, NC	Moderate Shortage	76.0%	+7.9	-14.6
50	Milwaukee-Waukesha, WI	Moderate Shortage	75.8%	+7.4	-14.9
51	Grand Rapids-Wyoming-Kentwood, MI	Moderate Shortage	75.6%	+0.4	-17.3
52	Durham-Chapel Hill, NC	Moderate Shortage	74.8%	+3.2	+3.2
53	Denver-Aurora-Centennial, CO	Moderate Shortage	74.5%	+8.2	+8.2
54	Austin-Round Rock-San Marcos, TX	Moderate Shortage	74.4%	+12.5	-1.2
55	New Haven, CT	Moderate Shortage	74.0%	+3.4	-13.5
56	Allentown-Bethlehem-Easton, PA-NJ	Moderate Shortage	73.6%	+4.4	-39.2
57	Tampa-St. Petersburg-Clearwater, FL	Moderate Shortage	72.9%	+9.8	-9.3

Market Rankings and Distribution Across Tiers

#	Metro Area	Alignment Tier	March 2026	Change vs 2025	Change vs 2019
58	Dallas-Fort Worth-Arlington, TX	Moderate Shortage	72.8%	+9.6	-0.6
59	Orlando-Kissimmee-Sanford, FL	Moderate Shortage	72.8%	+11.9	-3.0
60	Tucson, AZ	Moderate Shortage	72.3%	+12.4	-5.5
61	Virginia Beach-Chesapeake-Norfolk, VA-NC	Moderate Shortage	72.0%	+6.0	-19.1
62	Bridgeport-Stamford-Danbury, CT	Moderate Shortage	71.8%	+11.6	+10.8
63	Colorado Springs, CO	Moderate Shortage	70.5%	+12.8	-3.8
64	Chattanooga, TN-GA	Moderate Shortage	70.2%	+6.3	-14.1
65	Albany-Schenectady-Troy, NY	Significant Shortage	69.7%	0.0	-17.3
66	Deltona-Daytona Beach-Ormond Beach, FL	Significant Shortage	68.8%	+8.3	-2.2
67	McAllen-Edinburg-Mission, TX	Significant Shortage	68.8%	+14.7	+0.5
68	Phoenix-Mesa-Chandler, AZ	Significant Shortage	67.9%	+10.9	-3.9
69	Urban Honolulu, HI	Significant Shortage	67.7%	+10.6	+13.3
70	Salt Lake City-Murray, UT	Significant Shortage	67.3%	+7.6	-9.6
71	Bakersfield-Delano, CA	Significant Shortage	67.2%	+10.8	-16.8
72	Miami-Fort Lauderdale-West Palm Beach, FL	Significant Shortage	67.0%	+11.2	+2.9
73	North Port-Bradenton-Sarasota, FL	Significant Shortage	66.8%	+10.3	-2.6
74	Charleston-North Charleston, SC	Significant Shortage	66.5%	+11.1	+0.5
75	Cape Coral-Fort Myers, FL	Significant Shortage	66.1%	+13.0	-6.4
76	Las Vegas-Henderson-North Las Vegas, NV	Significant Shortage	66.0%	+14.0	-7.4
77	San Francisco-Oakland-Fremont, CA	Significant Shortage	66.0%	+4.5	+8.3
78	Portland-Vancouver-Hillsboro, OR-WA	Significant Shortage	65.9%	+11.2	+1.7
79	Albuquerque, NM	Significant Shortage	65.4%	+4.5	-25.4
80	Springfield, MA	Significant Shortage	65.0%	+3.0	-28.8
81	Worcester, MA	Significant Shortage	64.1%	+8.7	-19.9
82	Nashville-Davidson--Murfreesboro--Franklin, TN	Significant Shortage	63.2%	+9.7	-11.7
83	Madison, WI	Significant Shortage	63.1%	-7.7	-22.9
84	Stockton-Lodi, CA	Significant Shortage	62.6%	+10.1	-5.4
85	El Paso, TX	Significant Shortage	61.7%	+9.8	-18.2

Market Rankings and Distribution Across Tiers

#	Metro Area	Alignment Tier	March 2026	Change vs 2025	Change vs 2019
86	Sacramento-Roseville-Folsom, CA	Significant Shortage	61.3%	+10.7	-3.7
87	San Jose-Sunnyvale-Santa Clara, CA	Significant Shortage	61.2%	+6.0	+9.8
88	Seattle-Tacoma-Bellevue, WA	Significant Shortage	61.1%	+3.0	+0.4
89	Knoxville, TN	Significant Shortage	60.1%	+4.8	-25.5
90	Spokane-Spokane Valley, WA	Severe Shortage	58.2%	+10.9	-18.6
91	Boston-Cambridge-Newton, MA-NH	Severe Shortage	57.5%	+4.4	-10.5
92	Portland-South Portland, ME	Severe Shortage	56.3%	+7.1	-18.6
93	Fresno, CA	Severe Shortage	56.1%	+8.3	-16.3
94	Riverside-San Bernardino-Ontario, CA	Severe Shortage	55.4%	+12.3	-6.3
95	New York-Newark-Jersey City, NY-NJ	Severe Shortage	55.1%	+8.4	+1.5
96	Boise City, ID	Severe Shortage	53.2%	+4.0	-17.7
97	Providence-Warwick, RI-MA	Severe Shortage	50.5%	+3.0	-18.5
98	Oxnard-Thousand Oaks-Ventura, CA	Severe Shortage	46.8%	+11.4	+0.7
99	San Diego-Chula Vista-Carlsbad, CA	Severe Shortage	45.0%	+5.8	+1.7
100	Los Angeles-Long Beach-Anaheim, CA	Severe Shortage	39.4%	+8.7	+0.1

Understanding Alignment by Income Level and Market

To understand why a market scores as it does and to identify which types of buyers are most affected, it is important to examine how the gap between actual and balanced-market access varies across income tiers.

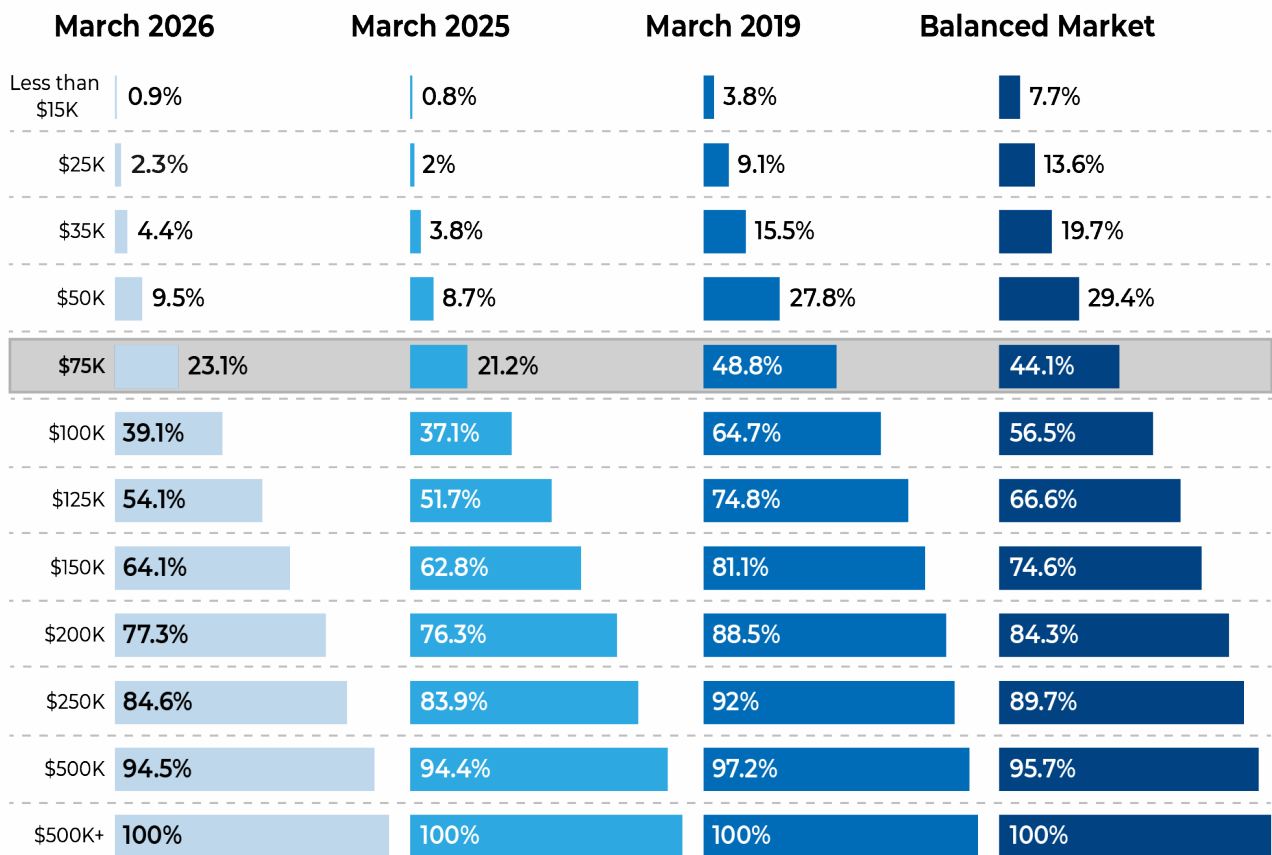
Nationally, the largest shortage remains concentrated among middle-income households. Buyers earning about \$75,000 annually can afford homes priced up to \$261,000, but they currently have access to only about 23% of active listings nationwide. In a balanced market, they would be able to access closer to 44% of listings. That gap translates into an effective shortage of about 311,010 listings priced within reach of these households.

Other income groups face similar constraints. Households earning about \$50,000 follow with the second-largest housing supply shortage. These households can currently afford about 9% of listings nationally, compared with about 29% in a balanced market. Buyers earning about \$100,000 can afford about 39% of listings today, versus about 56% under balanced conditions.

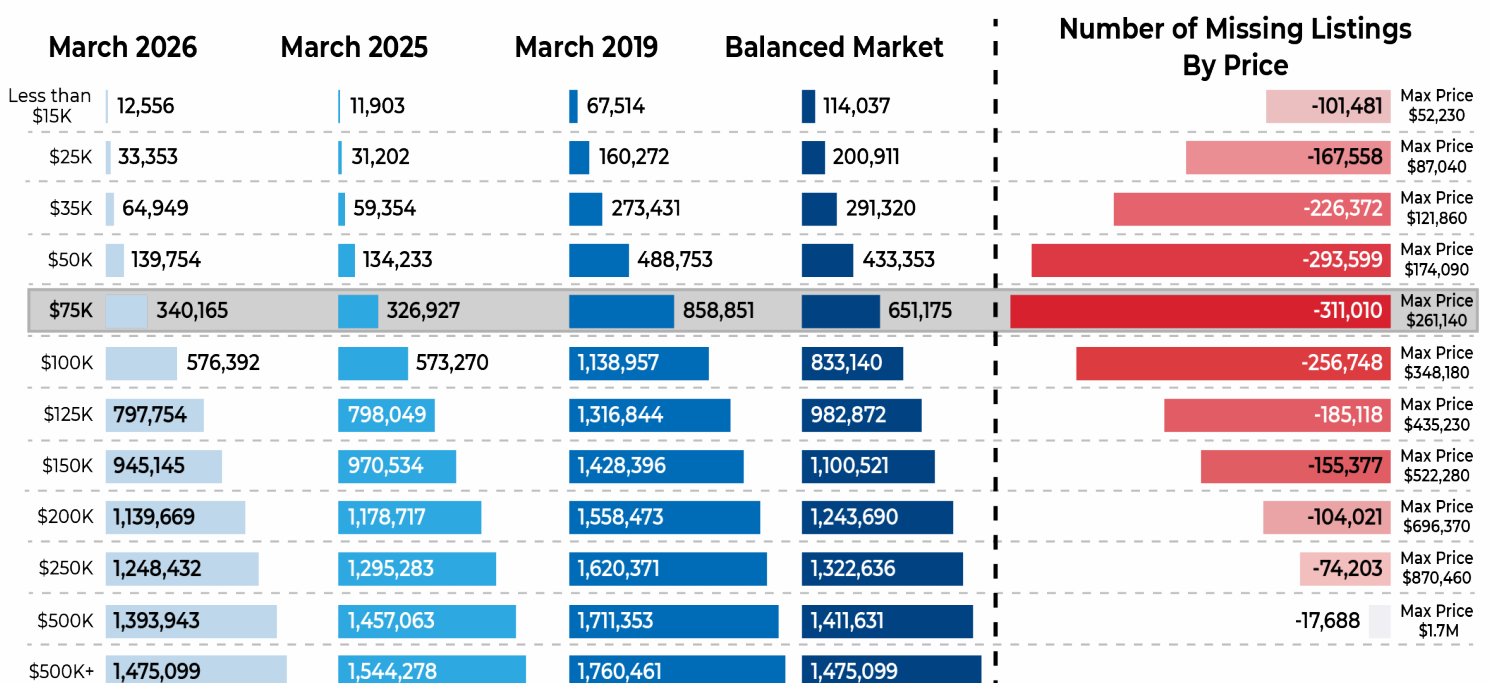
The imbalance is especially important because buyers in these income groups historically account for a large share of home purchases, including many first-time buyers and moderate-income families.

Understanding Alignment by Income Level and Market

How Many Listings Are Within Reach: Now, a Year Ago, Pre-Pandemic, and in a Balanced Market
Nationwide



How Many Listings Are Missing From a Balanced Market Nationwide



Understanding Alignment by Income Level and Market

The following four market profiles represent markets with different score levels.

Profile 1: Severe Shortage - Los Angeles-Long Beach-Anaheim, CA (39.4%)

Los Angeles is the market with the most severe housing shortage in the dataset. Looking at cumulative access across income levels helps explain why. In the lowest-income groups, access to listings is 0%, meaning there are no listings currently available for sale within the price range these buyers can afford. Specifically, buyers need to earn at least \$75,000 to afford just 1% of listings, compared to about 38% in a balanced market. At \$100,000, access rises only slightly to about 4%, compared with about half of all listings under balanced conditions. Even at \$150,000, households can reach only about 18% of listings,

compared to about two-thirds in a balanced market. These are substantial differences. They represent gaps of 30 to 45 percentage points across the middle of the income distribution. By the time household incomes reach \$250,000, access is closer to half of all listings, and at \$500,000, it seems to reach almost full coverage.

The largest gap in this market is especially for households earning \$150,000. At first glance, it's surprising that the shortage at low- and mid- income levels is smaller than in the other income groups. But this is because lower-income households make up a smaller share of the population in Los Angeles, so the balanced benchmark is lower to begin with. Thus, this relatively smaller shortage reflects the local income distribution rather than better access.

Los Angeles-Long Beach-Anaheim, CA				
Income level	Cumulative share of affordable homes	Cumulative share of affordable homes (balanced market)	Status	Missing Listings
\$15,000	0.1%	7.5%	Shortage	(2,008)
\$25,000	0.1%	12.6%	Shortage	(3,370)
\$35,000	0.1%	17.8%	Shortage	(4,770)
\$50,000	0.2%	25.6%	Shortage	(6,849)
\$75,000	0.9%	37.8%	Shortage	(9,987)
\$100,000	4.1%	49.2%	Shortage	(12,177)
\$125,000	10.5%	59.0%	Shortage	(13,089)
\$150,000	18.2%	67.0%	Shortage	(13,184)
\$200,000	35.2%	77.8%	Shortage	(11,515)
\$250,000	49.3%	84.5%	Shortage	(9,523)
\$500,000	79.2%	93.0%	Shortage	(3,728)
\$500,000+	100.0%	100.0%	Balanced	-

Understanding Alignment by Income Level and Market

Profile 2: Significant Shortage - Nashville-Davidson-Murfreesboro-Franklin, TN (63.2%)

Nashville reflects a different type of imbalance that is common across fast-growing Sun Belt markets. Unlike severely constrained markets such as Los Angeles, Nashville has seen strong population and job growth, along with a steady increase in inventory. But even with these gains, the distribution of listings has not kept pace with the distribution of household incomes.

Looking at cumulative access across income levels, while low-income households face a significant shortage, the

largest gap shows up in the middle of the market (\$75,000), where many households are concentrated. For example, a household earning around \$75,000 can access about 6% of listings, compared to nearly 40% in a balanced market. At \$100,000, access improves to about 23%, but it is still way below the 52% under balanced conditions. Even at \$125,000, households can access only about 42% of listings, compared to nearly 64% in a balanced market. Unlike in severely constrained markets, access in Nashville begins to improve steadily at higher income levels. By \$200,000, households can access about 72% of listings, and by \$250,000, that share increases to over 80%.

Nashville-Davidson-Murfreesboro-Franklin, TN				
Income level	Cumulative share of affordable homes	Cumulative share of affordable homes (balanced market)	Status	Missing Listings
\$15,000	0.0%	5.7%	Shortage	(839)
\$25,000	0.1%	10.2%	Shortage	(1,519)
\$35,000	0.3%	14.9%	Shortage	(2,189)
\$50,000	0.9%	23.9%	Shortage	(3,432)
\$75,000	6.2%	39.5%	Shortage	(4,972)
\$100,000	22.9%	52.4%	Shortage	(4,418)
\$125,000	41.8%	63.6%	Shortage	(3,256)
\$150,000	55.8%	72.6%	Shortage	(2,505)
\$200,000	71.9%	83.2%	Shortage	(1,691)
\$250,000	80.8%	89.3%	Shortage	(1,268)
\$500,000	92.6%	95.7%	Shortage	(456)
\$500,000+	100.0%	100.0%	Balanced	-

Understanding Alignment by Income Level and Market

Profile 3: Mild Mismatch – Chicago-Naperville-Elgin, IL-IN-WI (88.2%)

Chicago represents a more balanced housing market, where home prices are more closely aligned with local incomes. At the lower income levels, households still have a limited supply. For example, households earning below \$50,000 can access a relatively small share of listings compared to what they would in a balanced market. These gaps - from 7 to 17 percentage points - reflect the ongoing

shortage of homes at entry-level price points. However, by around \$75,000 income, households can access about 26% of listings, compared to roughly 40% in a balanced market. In fact, this is a smaller gap than in more constrained markets. At \$100,000, access rises to about 44%, approaching the 51% benchmark. By the time incomes reach the \$125,000 to \$150,000 range, access is almost in line with balanced market conditions.

Chicago-Naperville-Elgin, IL-IN-WI				
Income level	Cumulative share of affordable homes	Cumulative share of affordable homes (balanced market)	Status	Missing Listings
\$15,000	0.8%	7.5%	Shortage	(1,687)
\$25,000	1.8%	12.5%	Shortage	(2,662)
\$35,000	3.4%	17.7%	Shortage	(3,534)
\$50,000	9.0%	26.0%	Shortage	(4,222)
\$75,000	25.7%	39.5%	Shortage	(3,435)
\$100,000	43.9%	51.4%	Shortage	(1,854)
\$125,000	60.1%	61.7%	Shortage	(399)
\$150,000	72.3%	70.3%	Balanced	495
\$200,000	83.5%	81.1%	Balanced	591
\$250,000	89.2%	87.4%	Balanced	434
\$500,000	96.2%	94.8%	Balanced	344
\$500,000+	100.0%	100.0%	Balanced	-

Understanding Alignment by Income Level and Market

Profile 4: Well Aligned – Toledo, OH (107.4%)

Toledo is one of the most aligned housing markets in the country, where the distribution of listings closely matches the income distribution of households across nearly the entire market.

For example, households earning around \$25,000 can access about 15% of listings, compared to about 17% in a balanced market. For incomes of \$35,000, access is

actually aligned with balanced conditions. And for middle incomes, the market is even more accessible. A household earning around \$50,000 can access about 40% of listings, exceeding the 36% benchmark for a balanced market. At \$75,000, households can afford about 60% of listings, compared to about 52% under balanced conditions. So, in this market, inventory is not only available but also available at prices that align with local incomes.

Toledo, OH				
Income level	Cumulative share of affordable homes	Cumulative share of affordable homes (balanced market)	Status	Missing Listings
\$15,000	5.5%	9.9%	Shortage	(75)
\$25,000	15.1%	17.2%	Shortage	(37)
\$35,000	25.5%	24.2%	Balanced	21
\$50,000	40.3%	36.0%	Balanced	73
\$75,000	59.7%	52.5%	Balanced	123
\$100,000	71.6%	65.0%	Balanced	112
\$125,000	82.1%	74.8%	Balanced	124
\$150,000	89.5%	82.1%	Balanced	126
\$200,000	95.9%	89.8%	Balanced	104
\$250,000	97.6%	93.8%	Balanced	64
\$500,000	99.2%	97.9%	Balanced	22
\$500,000+	100.0%	100.0%	Balanced	-

Year-over-Year Changes: March 2025 to March 2026

Most Improved Metros

Since the beginning of 2026, the market has experienced the largest year-over-year improvement since tracking began. 99 of the 100 largest metros improved or held steady between March 2025 and March 2026.

Some of the biggest improvements over the past year came from markets that experienced the fastest price appreciations during the pandemic housing boom. Markets like Lakeland, Las Vegas, Cape Coral, and Austin all saw double-digit gains in alignment between March 2025 and March 2026. In many of these markets, more homes have come on the market, price growth has cooled, and buyers have gained slightly more negotiating power than in the past few years.

But improvement does not necessarily mean these markets are balanced again; Many of these metros with the largest gains are still below balanced-market conditions, especially for middle-income buyers. In other words, these markets are recovering from extremely tight affordability conditions.

Madison, WI: The Only Market Moving Backward

Perhaps the most surprising result in this year's data is Madison, Wisconsin, which was the only large metro to see alignment

worsen over the past year. This stands out because most markets across the country saw at least some improvement over the past year as inventory increased and affordability eased modestly. Many Midwest metros, especially, have remained among the more balanced markets nationally. Madison moved in the opposite direction.

Specifically, the metro's alignment score declined to 63%, about 8 percentage points lower than the previous year and 20 percentage points below its pre-pandemic level.

This doesn't mean that Madison has become one of the least aligned markets nationally. Compared with many coastal metros, affordability conditions remain significantly better. But what stands out is how quickly a market that was highly accessible became significantly less balanced in just a few years.

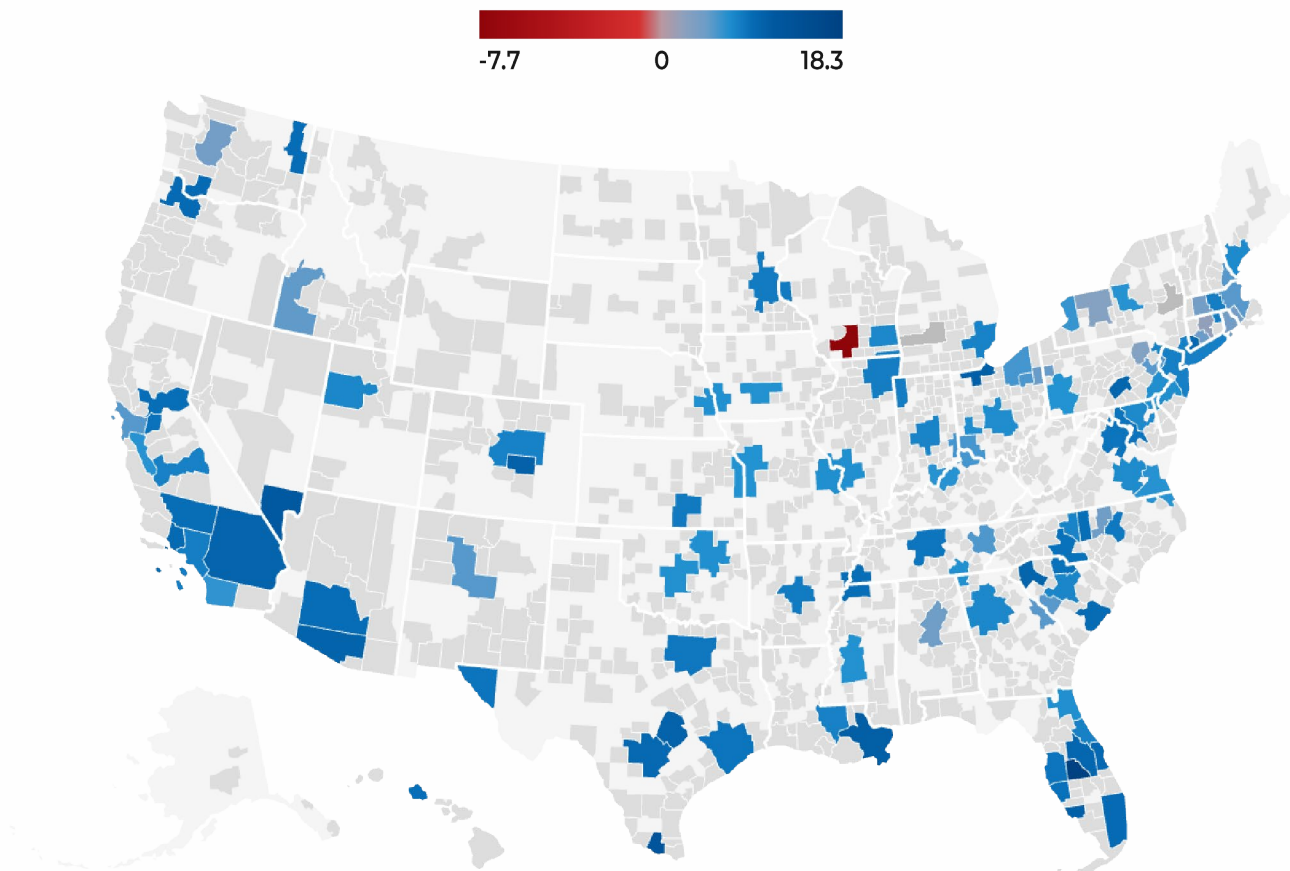
This decline reflects a combination of factors. Strong demand, population growth, and limited inventory. Home prices have continued to rise faster than in most of the markets, making it harder for buyers, especially in the middle of the market, to find enough affordable options.

Year-over-Year Changes: March 2025 to March 2026

Markets with Largest Improvements From A Year Ago

#	Metro Area	March 2025	March 2026	Change
1	Lakeland-Winter Haven, FL	58.8%	77.1%	+18.3 pp
2	McAllen-Edinburg-Mission, TX	54.1%	68.8%	+14.7 pp
3	Las Vegas-Henderson-North Las Vegas, NV	52.0%	66.0%	+14.0 pp
4	New Orleans-Metairie, LA	70.1%	83.3%	+13.2 pp
5	Cape Coral-Fort Myers, FL	53.1%	66.1%	+13.0 pp
6	Toledo, OH	94.4%	107.4%	+13.0 pp
7	Colorado Springs, CO	57.7%	70.5%	+12.8 pp
8	Austin-Round Rock-San Marcos, TX	61.9%	74.4%	+12.5 pp
9	Tucson, AZ	59.9%	72.3%	+12.4 pp
10	Riverside-San Bernardino-Ontario, CA	43.1%	55.4%	+12.3 pp

Alignment Score Changes From a Year Ago Across the 100 Largest Metros



Recovery Since 2019: Who Has Caught Up?

Markets That Have Recovered to Pre-Pandemic Levels

Nineteen of the 100 largest metro areas have now exceeded their 2019 alignment scores. This is a very important milestone that shows these markets have not only recovered from the pandemic-era tight conditions but have improved beyond their pre-pandemic baseline. In many cases, the improvement reflects a combination of rising inventory, slower home price growth, and incomes catching up after several years of fast appreciation.

Specifically, these markets fall into two categories:

- Some are higher-cost metros like San Jose, San Francisco, and San Diego, that were already severely misaligned in 2019. In this category, supply currently better reflects what people can afford than at the pre-pandemic level. However, even with this improvement, these areas continue to face the largest housing supply shortages.
- Others are markets in the Sun Belt region, such as Houston, San Antonio, New Orleans, and McAllen. These markets benefited from inventory-building in recent years, keeping home prices closer to local incomes.

Markets Furthest Below Their 2019 Baseline

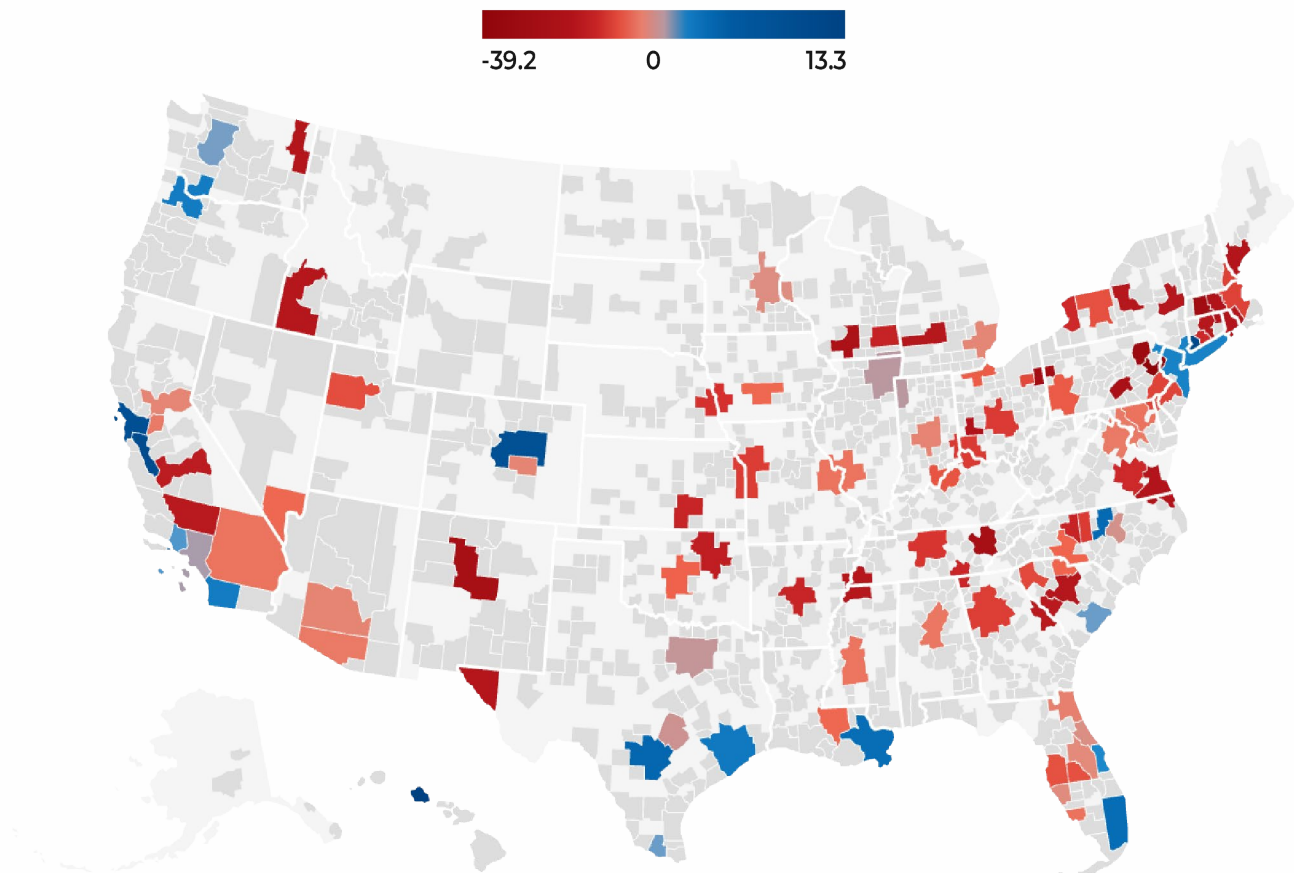
At the other end, there are markets that remain well below their pre-pandemic levels, even after recent improvements. Specifically, five markets are more than 20 percentage points below their 2019 alignment scores. However, these markets, especially the Allentown and Scranton markets, were above 110% aligned in 2019. These markets had exceptionally high alignment scores, offering more than enough affordable options to households of any income level. Thus, these areas are not the ones with the largest shortages, but because of the very elevated scores before the pandemic, they have seen a notable drop since then. These areas continue to have smaller housing supply shortages than many of the markets across the country. In other words, the comparison reflects not only recent affordability and supply pressures, but also how elevated the starting point was. A market can rank among the furthest below its 2019 level while still being more accessible than others, with big improvements over the past year.

Recovery Since 2019: Who Has Caught Up?

Markets with the Largest Improvements Since 2019

#	Metro Area	March 2019	March 2026	Change
1	Urban Honolulu, HI	54.4%	67.7%	+13.3 pp
2	Bridgeport-Stamford-Norwalk, CT	61.0%	71.8%	+10.7 pp
3	San Jose-Sunnyvale-Santa Clara, CA	51.4%	61.2%	+9.8 pp
4	Denver-Aurora-Lakewood, CO	66.3%	74.5%	+8.3 pp
5	San Francisco-Oakland-Berkeley, CA	57.7%	66.0%	+8.3 pp
6	San Antonio-New Braunfels, TX	74.5%	78.0%	+3.5 pp
7	Durham-Chapel Hill, NC	71.6%	74.8%	+3.2 pp
8	New Orleans-Metairie, LA	80.5%	83.3%	+2.9 pp
9	Miami-Fort Lauderdale-Pompano Beach, FL	64.1%	67.0%	+2.8 pp
10	Houston-The Woodlands-Sugar Land, TX	76.8%	78.6%	+1.8 pp

Alignment Score Changes Since 2019 Across the 100 Largest Metros



Conclusion

The March 2026 Listing–Income Alignment Score confirms that the U.S. housing market is gradually improving. The national level of 74.9% represents significant progress from the 66.7% of March 2025, but it remains nearly 9.5 percentage points below the pre-pandemic baseline of 84.4%, and the recovery is uneven across geographies and price tiers.

The alignment concept introduced in this report adds a dimension to affordability analysis that headline metrics miss: not just whether homes are affordable in the abstract, but whether the distribution of listings follows the distribution of incomes. A market with abundant listings priced for high earners and a shortage of listings priced for middle- and lower-income households is not well supplied, even if its total inventory is rising.

For the 36 metros in the Significant or Severe Shortage tiers, the combination of misaligned inventory composition and elevated prices continues to keep

transactions subdued and make the path to homeownership harder for a large share of households. Closing the alignment gap in these markets will require not just more supply but supply at the right price points.

For policymakers, the alignment score identifies where new housing supply is most needed: not simply more homes, but more homes at price points that match the income distribution of the local population. Markets scoring below 70% would benefit most from incentives focusing on entry-level and workforce housing construction.

For real estate professionals, the score provides a market-by-market benchmark to assess pricing conditions beyond simple inventory or months-of-supply metrics. A market with rising inventory but a low or declining alignment score may not see the transaction rebound that inventory data alone would suggest.





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